

Item No.: 4B_Supp
Date of Meeting: April 3, 2018



**THE NORTHWEST
SEAPORT ALLIANCE**
Gateway to Solutions

Project Authorization for West Sitcum Stormwater Treatment Project

Project Authorization

West Sitcum Stormwater Treatment

As referenced in NWSA Resolution No. 2016-04, Exhibit A, Delegation of Authority Master Policy, Paragraph 8.c.iii., states project costs exceeding \$300,000 require approval from Managing Members.

Request project authorization in the amount \$7,621,000, for a total authorized amount of \$12,848,000, for the West Sitcum Stormwater Treatment project, Master Identification No. 201024.01.



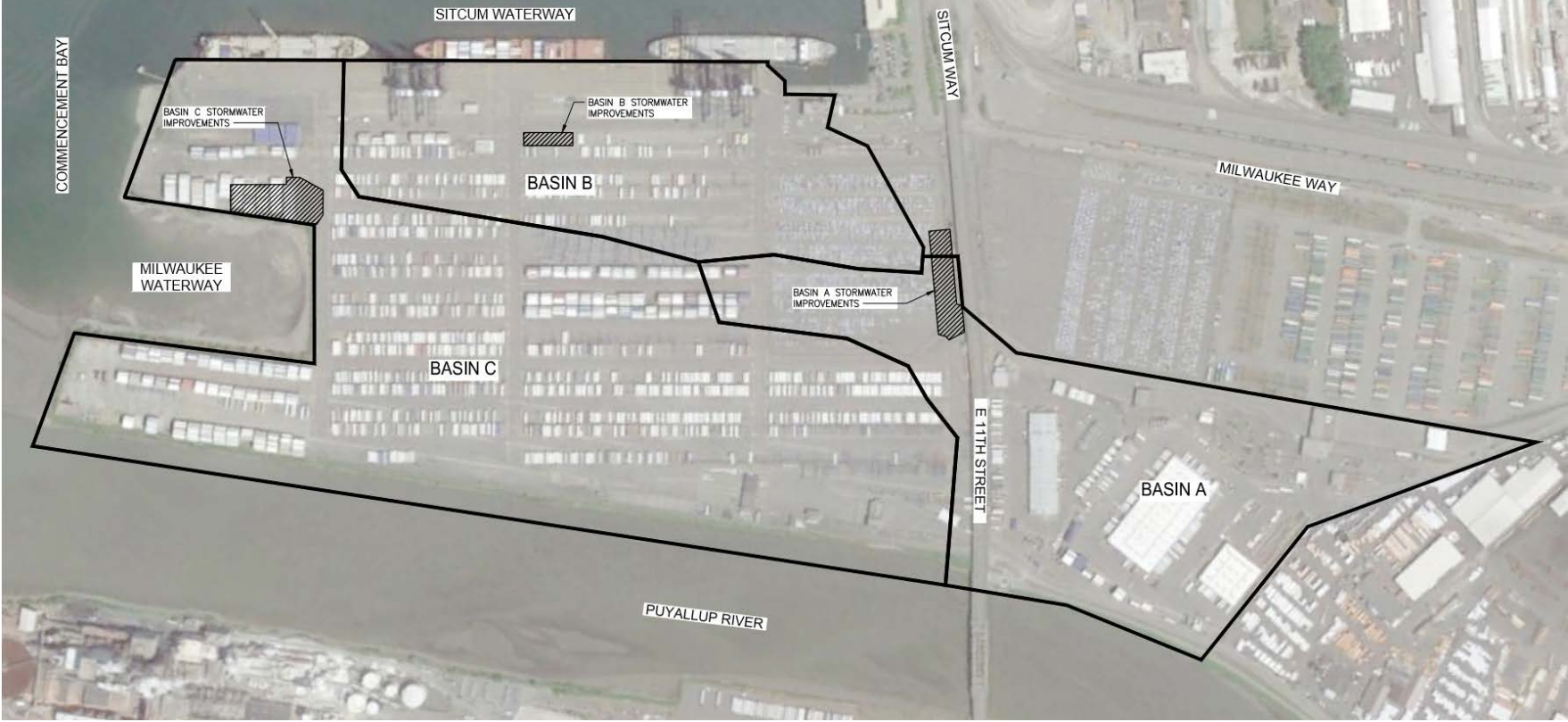
Background

West Sitcum Stormwater Treatment



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West Sitcum Stormwater Treatment

Terminal at 1675 Lincoln Ave (West Sitcum)

- The terminal is covered by an Industrial Stormwater General Permit (ISGP) currently held by the Port.
- Permit requires operational controls to prevent stormwater pollution and quarterly compliance monitoring.
- In the past, operations have exceeded permit benchmarks for zinc and copper.
- The Port is designing and intends to install stormwater treatment systems with the goal of meeting benchmarks.



Background

West Sitcum Stormwater Treatment

- October 2017
 - Managing Members authorized design in the amount of \$662,000.
 - Port of Tacoma Commission authorized CEO to sign Agreed Order with the Department of Ecology. Per the Order:
 - Construction must commence not later than July 1 with substantial completion not later than September 30.
 - Daily penalties after September 30 until treatment systems are online.
- February 2018
 - Managing Members authorized the advance procurement of long lead equipment purchases in the amount of \$4,565,000.
- This authorization request is to complete the project.



Project Description and Details

West Sitcum Stormwater System

Project includes design and construction of new stormwater treatment facilities for the three existing drainage basins at West Sitcum. Installation of a treatment systems will ensure discharge meets industrial stormwater general permit benchmarks.

- **The proposed scope of construction work will include:**
 - Installation of new pump stations, hydrodynamic separators, and modular wetland treatment systems.
 - Trenching for stormwater and new electrical conduit.
 - Restoration by backfill and asphalt concrete pavement patching.
 - Permitting – SEPA, shoreline, and site development.
 - Project and construction management.



Project Schedule

West Sitcum Stormwater Treatment

Activity	Timeframe
Construction Authorization	April 2018
Contract Award	May 2018
Begin Construction	June 2018
Substantial Completion	September 2018



Source of Funds

West Sitcum Stormwater Treatment

- **The estimated cost of construction phase is \$12,189,000.**
 - Estimate includes advance procurement authorization of \$4,565,000.
 - The tenant, SSA, will contribute \$4 million towards the cost of the project. This is included in the \$12,189,000 estimate.
- **The project cost to date is \$252,755.**
- **The current Capital Investment Plan (CIP) allocates \$8,023,000 for this project.**



Financial Summary

West Sitcum Stormwater Treatment

Item	Budget Estimate	Cost to Date	Remaining Cost
DESIGN	\$662,000	\$252,755	\$409,245
ADVANCE PROCUREMENT	\$4,565,000	\$0	\$4,565,000
CONSTRUCTION	\$7,621,000	\$0	\$7,621,000
PROJECT TOTAL	\$12,848,000	\$252,755	\$12,595,245

- The full project cost will be depreciated over the 33-year life of the assets.
- The \$4 million contribution will be recognized as lease revenue over the 10-year lease, resulting in additional rent of \$400,000 per year.



Conclusion

West Sitcum Stormwater Treatment

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